

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
January 24, 2022 – REGULAR MEETING

The Board of Commissioners of Transylvania County met in regular session on Monday, January 24, 2022 at 6:00 p.m. in Commissioners Chambers at the County Administration Building, located at 101 S. Broad Street, Brevard, NC.

Commissioners present were Larry Chapman, Chairman Jason Chappell, Vice-Chairman Jake Dalton, David Guice, and Teresa McCall. Also present were County Manager Jaime Laughter and Clerk to the Board Trisha Hogan. County Attorney John Kubis participated remotely via Zoom meeting software.

Media: Dan Dewitt – *Brevard Newsbeat*
Alex Perri – *The Transylvania Times*

There were approximately 15 people in the audience.

CALL TO ORDER

Chairman Jason Chappell presiding declared a quorum was present and called the meeting to order at 6:02 p.m.

WELCOME

Chairman Chappell welcomed everyone to the meeting. He introduced the Commissioners and staff in attendance.

PUBLIC COMMENT

The comments made by the public represent the individual speaker's opinion or point of view. The Clerk to the Board did not attempt to vet their statements for accuracy or modify them based on facts.

Jeremy Owen: Mr. Owen spoke to the Board about the Transylvania Economic Alliance and the critical role this organization plays in the community's economic development efforts. Mr. Owen has served on the Alliance's Board of Directors and worked closely alongside the Alliance supporting projects as a representative of the real estate industry. Most recently, he worked with the Alliance on Project City Camper, a 120-room full-service hotel and restaurant with public space, set to be constructed on Broad Street behind the Courthouse. The Alliance provides support and resources to many new and existing businesses and employers wanting to expand their companies. He stated that smart growth efforts, like the recent construction of the Sylvan Valley Industrial Center, result in well-paying jobs and better quality of life, address the community's sites and buildings challenges and provide a financial return on investment for the citizens of Transylvania County. Mr. Owen asked the Board of Commissioners to continue supporting the work of the Alliance and investing in the future of Transylvania County.

Barthell Joseph: Mr. Joseph spoke to the Board about the Transylvania Economic Alliance. He shared that he is a small business owner who is moving his business from another state to Brevard. He reported that relocating was a challenging task but was made better through the assistance of the Alliance. Mr. Joseph asked the Board of Commissioners to continue supporting the Alliance because they are an asset to the community.

AGENDA MODIFICATIONS

The Board added a closed session to consult with the County Attorney. Staff requested to remove the closed session minutes from September 13, 2021 and the regular meeting and closed session minutes from September 24, 2021.

Commissioner Dalton moved to approve the revised agenda, seconded by Commissioner McCall and unanimously approved.

CONSENT AGENDA

Commissioner Guice moved to approve the Consent Agenda, seconded by Commissioner Dalton and unanimously approved.

The following items were approved:

MINUTES

The Board of Commissioners met in a regular session on September 13, 2021. The Board approved the minutes as submitted.

DISCOVERY, RELEASE, AND MONTHLY SETTLEMENT REPORT

Per N.C.G.S. § 105-312 (b), the Tax Administrator must see that all property not properly listed during the regular listing period be listed, assessed, and taxed. The Tax Administrator shall file such reports of discoveries with the Board of Commissioners. Per N.C.G.S. § 105-381 (b), the Tax Administrator must provide a monthly report to the Board of Commissioners of the actions taken by the Tax Administrator on requests for release or refund, which shall be recorded in the minutes. For December 2021, tax dollars released totaled \$9,743.13 and refunds amounted to \$1,099.36. The Board approved the November 2021 Settlement Report and the December 2021 Discovery, Release, and Monthly Settlement Report.

BAD DEBT WRITE-OFF – HEALTH DEPARTMENT

The Department of Public Health's bad debt policy identifies the process for handling aging accounts with no payment activity greater than 180 days. Pursuant to this policy, Public Health Director Elaine Russell recommended the Board of Health approve the write-off of bad debts totaling \$57 for the period January 1, 2021 through June 30, 2021. The Board of Health approved the recommendation on January 11, 2022. Account balances greater than \$50 (\$55) will be sent to the NC Debt Setoff program for potential collection. The Board of Commissioners concurred with the recommendation to write off the bad debt as approved by the Board of Health.

PRESENTATIONS/RECOGNITIONS

COVID-19 UPDATE

Public Health Director Elaine Russell updated the Board on the COVID-19 pandemic and vaccine program. This is a summary of her report:

- In Transylvania County:
 - 19,409 received at least one dose (56%)
 - 18,682 received complete primary series (54%) (one dose J&J or two doses Moderna or Pfizer)
 - 10,894 received booster/third dose
- Transylvania Public Health has given 22,070 total doses of COVID-19 vaccines
 - 11,924 first doses

- 7,869 second doses
- 2,277 third/booster doses
- 13,681 doses of Moderna
- 4,321 doses of Pfizer
- 4,068 doses of Janssen (J&J)
- Current vaccine booster recommendations:
 - Five months after the initial series was completed for ages 12+ who received Pfizer
 - Five months after the initial series was completed for ages 18+ who received Moderna
 - Two months after the initial dose for people ages 18+ who received J&J
 - May receive any vaccine brand as a booster, but some evidence suggests Moderna or Pfizer vaccines may provide the best protection for most people
- Transylvania Public Health offers COVID-19 vaccines and boosters in the office by appointment
 - Single doses of J & J for ages 18+
 - First and second doses of Pfizer for ages five+
 - First and second doses of Moderna for ages 18+
 - Additional doses of Pfizer and Moderna for immunocompromised people
 - Pfizer booster for ages 12+ and fully vaccinated for five+ months
 - Moderna booster (½ dose) for ages 18+ and fully vaccinated for five+ months
 - J & J booster for ages 18+ and vaccinated for two+ months
- In Transylvania County
 - 273 new cases were reported in the past seven days
 - 73 (27%) of the 273 are 0-17 years of age
 - 50 (18%) of the 273 are 0-11 years of age
- Case rate of 733 per 100,000 residents over the past seven days = High (red) Community Transmission

Note: This data does not include people who test positive for COVID-19 using at-home tests and is most likely an undercount of actual cases

- Mask recommendations
 - Everyone should wear a mask in public indoor settings in areas of high transmission
 - CDC and NCDHHS recommend wearing the most protective mask that fits well and that you can wear consistently
 - All masks offer some protection, but properly fitted respirators offer higher protection
- Local N95 respirator distribution
 - Transylvania Public Health received 3,200 N95 masks from the State's stockpile
 - Available for free to the public at the Transylvania County Library, Transylvania County Parks & Recreation, and other places to be determined
 - Two to a bag

Chairman Chappell called for questions and comments from Commissioners.

Commissioner Chapman was concerned that those testing positive with the use of the home test kits will not report to the Health Department for tracking purposes. Ms. Russell explained that we are moving from a pandemic/epidemic to an endemic framework that relies less on emerging case numbers and more on the number of deaths and hospitalizations. In the coming months, public health will see a shift in how the State and federal governments view and prioritize those numbers.

Commissioner Guice asked if people were limited to two masks per individual and how long the N95 masks offered protection. Ms. Russell indicated that the Health Department has thousands of masks, so

they are available for individuals to pick for themselves, their families, and others. The Department of Social Services also has thousands of masks so there is no need to place a limit on the number people can get at this time. Ms. Russell also explained that the masks can be reused/recycled if they are not heavily soiled or damaged or compromised in some way.

Commissioner McCall stated that it could be good news that we are headed toward an endemic. With that said, she was concerned that the medical profession as a whole is not fully utilizing therapeutics and other resources that are available to help people. Ms. Russell reported that the federal government has maintained tight control over therapeutics.

Commissioners thanked Ms. Russell for sharing this information and for all the hard work she and her staff do to continue fighting this virus. Ms. Russell was very appreciative of the support of the Board of Commissioners, noting that every health department in the State is not so fortunate.

PRESENTATION FROM THE TRANSYLVANIA ECONOMIC ALLIANCE

The Transylvania Economic Alliance provided an annual update to the Board of Commissioners. Before beginning the presentation, Amber Webb, Chair of the Alliance's Board of Directors read an email from Amy Fisher, a realtor in Transylvania County, since she was unable to attend the meeting. Her email stated that the Alliance has been instrumental in recruiting new business to Brevard. Through their resources and extensive knowledge, they have been able to identify land parcels to locate new industries, introduce key partners to ease the development process and find available grant funding and resources to help facilitate the development of businesses in Transylvania County.

This is a summary of the Alliance's presentation given by Ms. Webb followed by the discussion that ensued.

Alliance Structure and Background

- Public-private, non-profit economic development corporation
- Founded in 1996 and reorganized in 2014
- 11-member Board of Directors
- Existing business services, business development, project management, research, marketing, and promotion

Board of Directors

Ms. Webb recognized the members of the Board of Directors in attendance, including Interim Director Sam Powers. The Board of Directors is comprised of various industry and business segments and represents several different facets of the community and professional networks.

Executive Committee

- Chair- Amber L. Webb (At Large)
- Vice Chair- Brian Traylor (Brevard/Transylvania Chamber of Commerce)
- Secretary- John Shoemaker (Transylvania County)
- Treasurer- Jim Cruickshank (At Large)

Directors

- Carlton Murrey (Agriculture background)
- Duane Aiken (Town of Rosman)
- Keavy McAbee (Heart of Brevard)
- Hannah Camenzind (At Large)
- Al Platt, Jr (City of Brevard)

- Mike Hawkins (Transylvania County Tourism)
- Vacant (At Large)-recruitment efforts underway

Recent Work

Next, Ms. Webb talked about the companies that the Alliance has helped. They have helped many existing businesses retain and expand in Transylvania County. The Alliance focuses on certain target areas that they feel are assets in the community, those being outdoor gear manufacturing, creative services, beverages, food and organic, advanced and niche manufacturing, and tourism.



The graphic above represents many of the companies the Alliance has worked with directly. Ms. Webb strongly felt that without the support of the Alliance, these companies may not be located in Transylvania County. There is a lot of work that goes into supporting existing businesses and bringing in new businesses to the community.

Business Development, Retention, and Expansion

Ms. Webb shared that even with the transition of finding a new director for the organization, the work has not stopped. Economic development activities remain very active. This is a summary list:

- Multiple recruitment projects in the pipeline
- Wide range of assistance to existing businesses during the pandemic
- Ongoing technical assistance to existing businesses/entrepreneurs
- Ongoing management of Sylvan Valley Industrial Center, with building fully leased
- Alliance offices serve as a community resource center for existing businesses
- Success in securing major federal funding for projects

Ms. Webb highlighted the partnership between Transylvania County, the Alliance, and others to secure more than \$1 million in Golden Leaf Grant funds to construct the Sylvan Valley Industrial Center. Most recently, the Alliance secured \$1 million in grant funding through the Appalachian Regional Commission

for a road project that is set to begin this spring. The NC Department of Transportation intends to use those funds to build an access road to the Mountain Industrial Park.

The Alliance will have the opportunity to work with Golden Leaf again in the hopes of securing funding for the next phase of the industrial building. There are several companies already expressing an interest in the space.

Organizational Update

Executive Director Search Process

The Alliance has been without a director since the former director moved to a different community to take on another opportunity. Since that time, the Alliance hired Sam Powers to serve as interim. The Alliance has been working with a consultant on a professional director search. The search yielded 18 applications which have been narrowed to seven over the last month. The Alliance interviewed two candidates today and they are ready to make an offer. They feel strongly about the candidate they have chosen and expect to make an announcement soon.

Financial Update

The Alliance's contract with the County requires them to present to the Board an update on the organization's programs, budget, strategic plan, etc. on a biannual basis. The organization is close to having its FY 20 and FY 21 audits completed. Once completed, the Alliance will come back before the Board of Commissioners to give a full report.

Focus on the Future

The Alliance is very much focused on the future as economic development is vital to the community. They are working hard to energize the organization and they look forward to doing so under the direction of the new executive director.

The Alliance, as reported earlier, is a public-private partnership and is publicly funded by Transylvania County. The Alliance is working to develop and foster relationships with private sector companies to bring in additional funds for the purpose of diversifying its funding streams, while continuing to maintain a strong relationship with the County.

Also, the Alliance is planning for phase two of the Sylvan Valley Industrial Center. The current building consists of 60,000 sq. ft., with just over 30,000 sq. ft. occupied by Sylvan Sport. The remainder is occupied by Oskar Blues. Phase two will add another 40,000 sq. ft. of space onto the backside of the building. As mentioned earlier, the Alliance has already received multiple interests in the next phase.

Ms. Webb concluded her presentation by stating that the Alliance's Board of Directors is very committed. She was encouraged by the breadth of knowledge and history they have in their fields, as well as in the community. They are ready to begin working with the new director on additional product development and continuing to support businesses and growth in the community.

This concluded the formal presentation. She welcomed questions and comments from the Commissioners.

Chairman Chappell expressed appreciation to Ms. Webb for the amount of work and dedication she has put in, especially since the former director left.

Commissioner Chapman shared that he asked for this presentation to be on the agenda because he felt the need for better communication between the organization and the County. He reminded everyone that the County has committed \$500,000 annually as an investment in this organization so the Board needed to

continue to receive regular updates. He also encouraged them to advertise their successes so the citizens will know they are getting a return on their investment. Commissioner Chapman noted how critical this organization is to Transylvania County and asked if it would be appropriate for a County Commissioner to serve on their Board of Directors. He felt this would open up better communication and improve their working relationship. He thanked the Alliance for their support of existing businesses and encouraged them to continue their focus on recruiting new jobs and businesses.

Commissioner Guice was excited about the work the Alliance has done and felt strongly about the County's working relationship with them. He referred to Ms. Webb's comments about the Alliance's goal to diversify their funding and he supported their efforts because he felt it was important for their long-term success. He felt that the City of Brevard should be a financial supporter of the organization because the Alliance serves Transylvania County in its entirety and thus the City is positively impacted by their great work. Commissioner Guice also agreed that the Alliance needs to advertise its successes and educate the public on how they are serving Transylvania County.

Commissioner Dalton pointed out how hard Ms. Webb has been working for the Alliance's Board of Directors and commented that she does not give herself enough credit. He stated that he and the County Manager were excited to be involved in the selection process for the soon-to-be-announced director. He thanked Mr. Powers for his leadership as interim director.

Commissioner Dalton was also appreciative of the Alliance's efforts as a whole. The Alliance must do a lot of its work behind the scenes and in confidence. He emphasized that companies want to be here, but the challenge is having product for them. For this reason, he was very excited about the phase two expansion of the Sylvan Valley Industrial Center. He hopes the extension of water and sewer will result in generational changes by adding jobs and affordable housing. He was appreciative of the Board of Commissioners for their continued support of the Alliance. Lastly, Commissioner Dalton agreed that the Alliance should tout its successes especially when many people do not understand or realize the hard work that goes on behind the scenes to support business and recruit new companies and jobs.

Chairman Chappell commented that he was concerned about the Alliance's future when the former director left, but Ms. Webb, Mr. Powers, and others stepped up to ensure their mission continued without interruption. He was thankful for the impact that the Alliance has had on this community. He also stressed the importance of the organization remaining a public-private partnership model because it opens up other avenues for revenue. He thanked Ms. Webb and all those tied to the Alliance for their presentation and for the work they are doing in Transylvania County to contribute to its success.

Ms. Webb added that she heard Commissioner Chapman's concerns about communication and vowed the organization will do better. When the new director comes onboard, the Alliance intends to revisit its strategic plan, develop a marketing strategy, and take steps to diversify its funding streams.

APPOINTMENTS

BOARD OF EQUALIZATION AND REVIEW

The terms of John Decker and Thomas Sweeny expire at the end of January. Both are eligible and willing to serve another term. There are no term limit requirements.

Commissioner Chapman moved to reappoint John Decker and Thomas Sweeny to another term on the Board of Equalization and Review, seconded by Commissioner Guice and unanimously approved.

PLANNING BOARD

The terms of Kimsey Jackson and Rick Lasater expire on January 31, 2022. Kimsey Jackson was appointed on February 27, 2017 to serve a two-year term. In 2019, he was reappointed to a three-year term. He will have served a total of five years on his expiration date. He would like to be reappointed if the Board so chooses. Rick Lasater was appointed on May 27, 2019 to fill a vacancy. He is eligible to serve a three-year term and requested to be reappointed. There are other applications on file the Board may consider as well.

Commissioner Guice moved to reappoint Rick Lasater to a three-year term, seconded by Commissioner McCall and unanimously approved.

Chairman Chappell moved to waive the term limits and reappoint Kimsey Jackson, seconded by Commissioner McCall and unanimously approved.

NEW BUSINESS

TRANSYLVANIA ECONOMIC ALLIANCE CONTRACT REVIEW

The Board of Commissioners received a presentation from the Transylvania Economic Alliance earlier in the meeting. The purpose of this item is for the Board to review the current contract with them and advise staff of any desired changes.

The Manager reviewed some of the major terms of the current contract which are highlighted below:

- Alliance agrees to use funds appropriated and approved annually by the County for the purposes specified in their funding proposal and outlined in a program of work to be submitted to the County each year along with the funding request, no later than March 15.
- Alliance and County shall annually agree to a program of work no later than June 30 of each year, to take effect the subsequent fiscal year.
- In consideration of the performance of the services, County agrees to pay the Alliance a mutually agreed upon sum, annualized, with pro-rata payment to occur in quarterly installments.
- The county shall reserve funds in the fund balance designated for economic development no less than \$500,000 for the fiscal year with the monies designated for payment of the obligation incurred in the agreement.
- The agreement shall renew annually pending approval of funding and program proposals.
- Failure to fund or adopt the program of work will void the contract.
- County may terminate the agreement upon 90 days of written notice.
- Alliance to submit an annual funding request along with a program of work that specifies the programs and purposes for the requesting funding.
- Alliance shall submit semi-annual and annual status of all program activities, including a summary of the accomplishment of goals and objectives and peer county matrices and performance measures.
- Alliance shall provide an accounting of County funds to demonstrate funds have been used for the purpose specified in the annual request.
- County entitled to audit the Alliance's expenditures at the County's discretion; Alliance shall submit an independent audit to County annually.
- The County is not responsible for the administration and supervision of Alliance employees which creates the separation necessary for confidentiality and from a liability standpoint.
- The agreement may be amended by written amendments mutually agreed upon by the County and the Alliance.

The Manager invited Commissioners to give input on the current contract.

Chairman Chappell stressed the importance of ensuring the terms of the contract are met by both parties.

Commissioner Chapman asked how much the County spent on this contract for operational expenses, noting that \$500,000 was allocated in the budget. Finance Director Jonathan Griffin reported that the County has spent \$315,000 annually for the past few years.

Commissioners did not offer any changes to the current contract structure. Chairman Chappell invited Ms. Webb to give input. She stated that the new director will thoroughly review the contract and advise of any recommended changes.

The Manager advised that if any changes are necessary, the Board will have the opportunity to vote on those changes. Otherwise, the contract will renew automatically. The next step is for the Alliance to submit its budget request for FY 23 by the deadline of March 15.

Commissioner Dalton expressed interest in serving as the County Commissioner representative to the Alliance's Board of Directors should the Board of Commissioners consider doing so in the future.

REGION 1 PUBLIC HEALTH WORKFORCE DEVELOPMENT AGREEMENT ADDENDUM

Public Health Director Elaine Russell presented this item. She reported that the NC Division of Public Health received funding from the CDC in a grant titled "CDC Crisis Response Cooperative Agreement: COVID-19 Public Health Workforce". This grant provides funding to establish, expand, train, and sustain the state, tribal, and local public health workforce to support jurisdictional COVID-19 prevention, preparedness, response, and recovery initiatives across the State of North Carolina.

The work of the agreement addendum will address the seven Public Health Infrastructure Capabilities (foundational capabilities): assessment/surveillance, emergency preparedness and response policy development and support, communications, community partnership development, organizational administrative competencies, and accountability/performance management.

Transylvania County was identified as the most viable lead county for Region 1 of the NC Health Directors Association. There are 10 regions across the State for public health. Region 1 encompasses Transylvania, Haywood, Jackson, Swain, Graham, Macon, Clay, and Cherokee counties.

The agreement addendum has an 18-month service period. Region 1 was awarded \$1 million in the agreement addendum. There is no local match required by counties. The agreement addendum requires the hiring of a Regional Project Director for the work. The Regional Project Director position would be posted and hired through the NC Public Health Alliance (the staffing agency used by local health departments), therefore no full-time equivalent impact or expectation exists for Transylvania County.

Chairman Chappell emphasized that it has been the policy of the Board of Commissioners that there is no expectation of local funding for grant-funded positions once grant funding ceases.

Commissioner Guice pointed out that Transylvania County was chosen as the most viable lead county for Region 1 due to the leadership of Ms. Russell.

Commissioner Guice moved to accept the ARPA COVID-19 Public Health Regional Workforce Development Agreement Addendum and the hiring of a Regional Project Director through the NC Public Health Alliance, seconded by Commissioner McCall and unanimously approved.

AWARD NEW AUDIT CONTRACT

Finance Director Jonathan Griffin presented this item to the Board. At the March 3, 2021 regular meeting, the Board awarded the FY 2021 contract to audit accounts to Martin Starnes & Associates, CPAs, P.A. and instructed staff to issue a request for audit proposals for the FY 2022 year and beyond. The Board did not instruct staff to provide a recommended firm, so this agenda item is presented with only the recommendation to choose a firm as required by N.C.G.S. § 159-34.

The market for auditing services for County governments has changed significantly since 2018, and many smaller accounting firms exited that market. This has been driven by changes in auditing standards that apply to "single audit" entities, which are set by federal standards and implemented by the Office of State Auditor, which statute in North Carolina sets as the primary agency to oversee the laws that implement the single audit requirements.

A single audit is a specific standard of auditing defined by federal law and is required of any organization that receives more than \$750,000 in federal funds every year. In addition to the regular components of the audit, the accounting firm assesses the organization's compliance with federal and state grants. Most cities, towns, school systems, ABC boards, airport authorities, tourism authorities, etc. are not required to receive a single audit.

While Martin Starnes & Associates has been the firm that has performed the County's audit for the past 12 years, they have routinely rotated staff to maintain professional standards by ensuring that a different set of experienced professionals is examining the County's financial records.

Mr. Griffin reported that auditing standards have changed significantly with the publishing of federal standards over the last several years. Uniform guidance revised the threshold for what must be tested. In this case, 40% of all revenue from the State and federal government must be examined. In 2018, the Governmental Accounting Standards Board (GASB) published a revised Yellow Book which is the standard for governmental accounting that established independent standards. Under the new independent standards, the auditor must remain hands off in assisting finance offices with certain governmental accounting practices, such as gathering data for tables. Also in 2018, there was significant reform between the Office of State Auditor and the Department of Social Services causing staff and the auditor to test more programs to reach the testing threshold of 40%.

Two accounting firms responded to the request for proposals. These two firms audit more than half of North Carolina's 100 counties. Both respondent firms are large regional firms with Martin Starnes based out of its main Hickory office (Catawba County), and the Thompson Scott Price and Adams response coming from its Whiteville office (Columbus County). Both firms submitted resumes for key team leaders who would be carrying out audit duties, a most recent peer review of their firm from another accounting firm, a history that included auditing multiple North Carolina counties, a schedule of proposed work for the FY 22 audit, and a cost table.

While the Board of Commissioners cannot commit for three years, over the term, the cost proposals from both firms are the same with TPS&A being less costly by \$3,000 over the term. The same scope of work is proposed under both options to include a financial and compliance single audit, and preparation of the County's financial statements. Separate cost proposals were provided for component units. Based on the information he provided, Mr. Griffin asked the Board to award an audit contract based per their statutory duty.

Chairman Chappell called for discussion and action by the Board.

Commissioner Chapman asked if there had been any issues with the current auditor or any major findings from the County's financial statements. Mr. Griffin responded there have been no issues with the auditor nor have there been paybacks or other major findings. The Finance Office always strives to do better and find more efficient ways of managing the County's finances.

Commissioner Chapman said he has always been in favor of having a fresh new set of eyes on the County's finances, but he supported remaining with the current auditor for the next fiscal year.

Commissioner McCall asked for confirmation that the current firm rotates staff. Mr. Griffin confirmed. He noted that it is easy to draw a conclusion based on the name of the firm, but the team of staff that performs the testing each year has been different. The Board may also request a different audit manager.

Commissioner Guice noted that Columbus County is in another part of the State which is very different than Western North Carolina. A firm in Catawba County is closer and more aligned and thus he supported continuing with Martin Starnes as the County's auditor.

Chairman Chappell pointed out that for many years he argued for changing auditors periodically specifically when smaller local companies with the same staff were auditing the County's financial statements. He noted that Martin Starnes has a large regional presence, and their practice of rotating staff annually makes him support remaining with the firm.

Commissioner McCall moved to award the audit contract to Martin Starnes for the coming year and that we continue to look at other firms going forward as well, seconded by Commissioner Guice and unanimously approved.

Commissioner Guice asked about the possibility of having the Tourism Development Authority's completed by the same auditor. Mr. Griffin stated that the Tourism Development Authority is considered a component unit of government and the Local Government Commission outlines that process which involves the passage of a resolution to determine whether their audit is a separate financial statement or an appendix of the County's audit.

BUDGET AMENDMENTS

Finance Director Jonathan Griffin presented this item to the Board. Based on the North Carolina Local Government Budget and Fiscal Control Act, the governing board retains responsibility for amendments to the annual budget ordinance which revise the total estimate of revenues or approved expenditures. The purpose of this item is to provide the Board an opportunity to review all amendments which were necessary for the opinion of management. Similarly, the Board of Commissioners requires staff under the budget ordinance to submit full reports disclosing budget amendments and transfers on a semiannual basis. This agenda item's supporting documents also served as the second quarter report for FY 2022.

RESTRICTED RESOURCES ALLOCATED/AWARDED AFTER 10/1

Intergovernmental Agreement with U.S. Marshals Service #11

This item implements the previously approved addition of positions in the Transylvania County Sheriff's Office necessary to implement the requirements of the agreement with the US Marshals Service to house federal inmates. This is the estimated incremental cost for the remainder of FY 2022, which estimates that net revenue of \$17,544 will be placed in a reserve account for use of the Transylvania County Sheriff's Office.

Public Health Grant Addendum #12

This item acknowledges receipt of additional resources in the amount of \$367,854 from NCDHHS for school health response, as previously discussed in separate agenda items from Public Health for Board consideration. These resources will be recognized as revenue in the County budget and expended to pay the NC Public Health Alliance through a contract to provide services at Transylvania County Schools.

DSS – Special LINKS Expansion #13

This item acknowledges receipt of additional resources from NCDHHS for the Special LINKS program expansion announced on October 28, 2021. This expands funding for nine youth aged 8-20 and 25 youth aged 21-26. The initially budgeted figure for this program for FY 2022 was \$5,000. This amendment increases the spending by \$147,500 in revenues and expenditures. The program is 100% reimbursable via NCDHHS.

DSS – Low Income Household Water Assistance Program #16

New in FY 2021, NCDHHS received federal funding to establish a program to assist low-income households with the cost of water bills. Administered through local Departments of Social Services, this program is a 100% federally funded assistance program that pays for water services for households who receive FNS/TANF/Work First/LIEAP or have already had water services cut off or terminated.

DSS – State Foster Home Expenditure Expansion #17

Beginning on November 1, business staff at the Department of Social Services identified a trend in the state-funded foster home program that required adjustments to the General Fund budget. The State's foster program is a 55-45% match between State and County governments and therefore requires local spending to keep up with this mandate. The first four months of the year used 80% of the original \$154,950 budget for the fiscal year for the State foster home program. Based on current trends, the level of expenditures necessary for this program for the remainder of the year would be \$401,410, an increase of \$246,460 to cover the months of November 2021 through June 2022. Staff recommended, as in the past, closing the gap on the matching requirement of this program through an appropriation of fund balance in the General Fund.

*APPROPRIATION OF FUND BALANCE***Administration – License Plate Agency Construction Project #15**

Earlier this fiscal year, the Board of Commissioners approved a contract that would establish the County as a vendor of the State of North Carolina Division of Motor Vehicles to operate a license plate agency for the County's residents. At that time, Administration discussed renovations to the County building that houses the Tax Administration and the Register of Deeds to accommodate this new service. To fund this upfront, staff recommended a small appropriation of the fund balance in the General Fund. Once the office is open, it will generate sufficient revenues to reimburse the general fund.

*OTHER (DONATIONS AND MISCELLANEOUS REVENUES)***WNC Health Network Grant to Public Health #14**

The \$5,000 was to assist with the collection and processing of data and community feedback for the Community Health Assessment. The Western North Carolina Health Network provided all 18 health departments they serve with a \$5,000 grant.

The General Fund's total appropriations will increase from \$70,535,106 to \$71,617,020 with the approval of these budget amendments. The total appropriations for all other County funds are unchanged between October 1, 2021, and December 31, 2021.

Commissioner McCall moved to accept the second quarter financial report and the budget amendments, seconded by Commissioner Guice unanimously approved.

COMMUNITY ACTION OPPORTUNITIES COMMUNITY SERVICES BLOCK GRANT APPLICATION

Community Action Opportunities serves Buncombe, Henderson, Madison, McDowell, Polk, and Transylvania Counties through the Community Services Block Grant. They intend to submit the FY 23 CSBG Application to the Office of Economic Opportunity for consideration. Before submission of the grant application, the local governing boards from each county in their service district are allowed to submit comments on their grant application. The comment period is open for 30 days after submission of the grant application to the Board. The Clerk forwarded the grant application to the Board for their review. Comments are due no later than February 11, 2022. The Board of Commissioners had no comments to share at this time.

MANAGER'S REPORT

The Manager reported the following:

- Budget process is beginning for FY 23. Departments' six-month reports are calendared for the two meetings in February, with March being the opportunity for elected office services to present separately if they so choose.
- Transylvania County has been invited to apply for the next stage of the Golden LEAF Community Based Grants Initiative funding cycle. Applications will be considered in April. A site visit is scheduled for February. Staff will be working with the Alliance on the grant application.
- Board of Commissioners to hold a joint meeting with the Board of Education on Monday, January 31 at 6:00 p.m. in Commissioners' Chambers to receive update on the school bond projects. The meeting is open to the public and will be streamed live on the County website and Facebook page. The meeting is not a public hearing, but Commissioners will hold two 15-minute public comment periods, one at the beginning and one at the end of the meeting.
- Clerk to the Board will represent the NC Association of County Clerks at the Region III International Institute of Municipal Clerks Conference in Huntsville, AL February 1-5.
- The policy previously adopted by the board for compliance with the OSHA ETS requiring weekly testing of employees with an option for exemption with proof of vaccination is now void after the courts determined that OSHA did not have the authority to issue that mandate. Staff will update the Board if OSHA issues anything further that impacts the County as employer.

Commissioner Chapman inquired about the status of the Tag Office and the Passport Office. The Manager reported that Tag Office staff are in training currently. She expects to open the office in the next few weeks and will make the official announcement ahead of the opening. The Passport Office is running smoothly and seeing quite a bit of business. The staff are managing the office really well.

PUBLIC COMMENT

There were no public comments.

COMMISSIONERS' COMMENTS

Chairman Chappell thanked staff who are working to ensure the County's buildings are safe and accessible during the winter months when travel and weather are difficult. He also commended the maintenance department for the work they do. They have been tremendous in helping to rearrange and

reconstruct office space to accommodate the new services of the Tag and Passport Offices. Chairman Chappell was thankful for all staff who work diligently day in and day out for our citizens.

Commissioner Chapman inquired about the upcoming agenda for the joint meeting with the Board of Education and how it might be formatted. Chairman Chappell responded that he and Board of Education Chairwoman Tawny McCoy are working on the agenda now. He envisioned a presentation by the Board of Education followed by a question-and-answer session. He stressed that the Board of Commissioners does not intend to take any action at that meeting.

Chairman Chappell moved to go into closed session per N.C.G.S. § 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body which privilege is hereby acknowledged, and per N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, following a 10-minute recess, seconded by Commissioner McCall and unanimously approved.

CLOSED SESSION

Per N.C.G.S. § 143-318.11 (a) (3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body which privilege is hereby acknowledged, and per N.C.G.S. § 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, closed session was entered into at 8:10 p.m. Present were Chairman Chappell, Commissioners Chapman, Dalton, Guice and McCall, County Manager Jaime Laughter, County Attorney John Kubis (participating via Zoom meeting software), representatives from the Transylvania Economic Alliance (interim director, board chair, board members, and attorney), and Clerk to the Board Trisha Hogan.

The Board of Commissioners consulted with the County Attorney on a privileged matter and discussed matters related to the expansion of business or industry, then directed staff on how to proceed.

Chairman Chappell moved to leave closed session, seconded by Commissioner Dalton and unanimously carried.

OPEN SESSION

Chairman Chappell moved to seal the minutes of the closed session until such time that opening the minutes does not frustrate the purpose of the closed session, seconded by Commissioner Guice and unanimously approved.

ADJOURNMENT

There being no further business to come before the Board, **Chairman Chappell moved to adjourn the meeting at 9:08 p.m., seconded by Commissioner Dalton and unanimously approved.**

Jason R. Chappell, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board